United Nations A/C.2/60/SR.4

General Assembly
Sixtieth session

Official Records

Distr.: General
20 October 2005

Original: English

Second Committee

Summary record of the 4th meeting
Held at Headquarters, New York, on Tuesday, 4 October 2005, at 10 a.m.

Chairman: Mr. Wali ..... (Nigeria)

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05-53452 (E)

The meeting was called to order at 10.05 a.m.

General debate (*continued*)

1. **Ms. Interiano** (El Salvador) said that the 2005 World Summit Outcome should provide continuity to the negotiation process towards achieving the reform of the United Nations. Consensus on applying the new development agenda, building a new international structure, and establishing a fair and equitable system for international trade based on non-discriminatory rules would require the political will of all Member States.

2. El Salvador was committed to achieving the Millennium Development Goals and to that end was seeking new financing mechanisms for programmes to eradicate poverty. It would continue to support any new initiatives to finance development in all developing countries, but considered that continued international cooperation and technical, scientific and financial assistance for middle-income countries, including the exchange of external debt for social programmes, principally in the areas of education and health, was extremely important. While it was essential to strengthen North-South cooperation, particularly through the United States Agency for International Development's Global Development Alliance, El Salvador would continue to support South-South cooperation.

3. The role of the private sector in developed and developing countries needed to be enhanced, as did that of NGOs and civil society; their support reinforced the development of governmental programmes and policies. Furthermore, capacity-building and access to technology and knowledge was essential for developing countries, especially the transfer of information and communication technology. Consequently, El Salvador reaffirmed its special interest in participating in the second phase of the World Summit on the Information Society in Tunis in November 2005. The United Nations agencies and programmes had a fundamental role to play in the execution of national development programmes and strategies to achieve the Millennium Development Goals. In that regard, it was urgent that the commitments made in the Paris Declaration on Aid Effectiveness should be fulfilled.

4. International migration had a significant impact on national economies, and dialogue and cooperation were crucial to gaining a clearer understanding of the phenomenon. El Salvador reiterated its interest in playing an active part in the high-level dialogue on international migration and development in 2006.

5. According to a report by Jeffrey Sachs, the countries of Central America were the among the most vulnerable to natural disasters, which affected their possibility of achieving the Millennium Goals. For example, El Salvador was currently experiencing a national emergency, owing to the strong rains resulting from a recent tropical storm and the eruption of one of its 23 volcanoes. Recent natural disasters in different parts of the world should cause the international community to re-evaluate its commitments and decisions concerning the environment, and measures should be taken to guarantee environmental sustainability and mitigate climate change.

6. **Ms. Mladineo** (Croatia), associating her delegation with the statement by made the European Union, said that Croatia had started negotiations for full membership in the Union. From the statement made by the Under-Secretary-General for Economic and Social Affairs, it was evident that tremendous inequalities existed in the world; yet widespread sharing of economic and political opportunities was instrumental for economic growth and development. Moreover, the effective mobilization of women in development and their equal access to financial resources should be given adequate attention. Bearing in mind the commitments made at the 2005 World Summit in September, the Second Committee should work in areas where it could add value, in order to translate those commitments into action and achieve concrete results in the area of development.

7. Financing for development was a priority. As a middle-income country in transition, Croatia had made progress and was ready to share its experience. To achieve the Millennium Development Goals, clear country ownership of the process was essential, which involved mobilizing all domestic resources and working in close cooperation with development partners, within the framework of coherent policies. Fiscal adjustment was also necessary to limit external vulnerability and the increase of external debt in relation to GDP. Likewise, key structural reforms in the judicial, health and public administration sectors were required. As the current level of aid was insufficient to achieve the Goals, innovative sources of financing that provided additional, stable and predictable flows must

be found. Croatia supported improving national capacities and processes in order to strengthen the voice of developing countries and transitional economies in the international development arena and in the Bretton Woods institutions.

8. Sustainable development was a central element of the agenda for global action to fight poverty and protect the environment. Croatia was determined to work within the framework of the relevant United Nations conventions on climate change, biodiversity and biosafety. Accordingly, it had incorporated into its development strategy the sustainable management and development of all types of forests, affordable and cleaner energy, and issues relating to oceans and seas. It also strongly supported the prompt establishment of a worldwide early warning system for natural hazards. Croatia needed to adjust its policy planning owing to population displacement towards urban areas. Its national strategy included plans for the development of all inhabited spaces in strict compliance with high environmental and economic management standards.

9. Fighting corruption was another of Croatia's priorities, and it had created an office for the suppression of corruption and organized crime to prevent and prosecute such offences.

10. General Assembly resolution 57/270 B stressed that the relevant organs, organizations and bodies of the United Nations system should incorporate in their programme of work the outcomes of the major United Nations conferences and summits and take them into account in the operational work and country frameworks of the organs of the United Nations system, in accordance with national development objectives and priorities. The Second Committee should bear in mind those provisions when re-examining and revitalizing its work with a view to ensuring the meaningful implementation of the commitments made in the 2005 World Summit Outcome.

11. **Mr. Ramadan** (Libyan Arab Jamahiriya) noted that recent improvements in the world economy had not been translated into progress towards the achievement of the Millennium Development Goals. Economic development, security and social and economic justice had eluded the less developed countries, particularly those south of the Sahara. The provision of greater economic aid, debt relief, public and private investment, and technology transfer to those countries was of prime importance.

12. The Second Committee had taken up a number of issues relating to trade, finance, globalization and poverty eradication. Among the most important was the establishment of a fair and non-discriminatory international trade organization easily accessible to developing countries. In that regard, the authority of UNCTAD needed to be enhanced to enable it to carry out its tasks in the areas of development, trade and investment, and technical assistance for trade negotiations and information and communication technology. Another important issue was the need for innovative financing mechanisms to provide additional funds and technical assistance for developing countries to help realize the Millennium Development Goals. A third crucial issue was debt relief for poor countries. Despite recent initiatives in this area, debt remained the major obstacle to development in middle-income countries. A fourth issue was sustainable development as the fundamental basis for achieving the Millennium Development Goals.

13. The United Nations and other relevant international and regional organizations should establish a basic framework for a twenty-first century agenda that would strengthen the role of international institutions, in particular the role of the United Nations, with regard to the environment. Globalization posed both opportunities and challenges to the developing world. The widening of the income gap between advanced and developing countries was distressing, and a strategy was needed to enable the developing countries to join in the global economy and participate in decision-making in international financial and trade institutions.

14. The Libyan Arab Jamahiriya had taken a number of steps to integrate itself into the global economy. It had opened its doors to foreign investment and abolished many of the barriers to foreign trade. The Libyan Arab Jamahiriya hoped to obtain support for its membership in the World Trade Organization in the wake of the General Assembly's acceptance of its request in 2004.

15. **Mr. Ali** (Malaysia) said that, through its summits and conferences, the United Nations had identified many of the challenges that confronted developing countries as they endeavoured to achieve their development goals, in particular poverty eradication.

The latter was a collective responsibility that required the sustained efforts of both stakeholders and the United Nations system. However, the various programmes of action adopted could not be fully implemented and sustained without the required financial resources. Malaysia therefore believed that financing for development was a core issue of international cooperation for development. It welcomed the European Union's adoption of a set of clear timelines for reaching the target of 0.7 per cent of its gross national income (GNI) for official development assistance (ODA) and recalled its proposal that an effective monitoring mechanism should be established to ensure that the internationally agreed target for ODA allocation was met.

16. In the context of Qatar's offer to host the follow-up conference to the International Conference on Financing for Development, Malaysia urged the international community to take the opportunity to press for a new international framework on financing for development that would be more supportive of development efforts and benefit the global economy. Institutional and systemic issues, including the reform of the international financial architecture, must be addressed, and more innovative ways found of mobilizing additional financial resources for realizing the internationally-agreed development targets set forth in the Millennium Declaration and reiterated in the World Summit Outcome.

17. Malaysia had achieved seven out of the eight Millennium Development Goals, but sought further improvement in the areas of health and education; the eradication of extreme poverty among indigenous peoples; the promotion of gender equality, the elimination of gender-based violence, and the use of the new information and communication technologies.

18. The sharp increase in the price of crude oil was a matter of grave concern and the international community, led by the United Nations, should give serious attention to measures that mitigated the adverse impact on the economies of developing countries. Governments should be encouraged to adopt measures to reduce their countries' dependence on fossil fuels through conservation and encouraging the use of alternative energy sources. Moreover, the international community, through the United Nations, should give serious attention to the emerging threat of avian influenza virus, which had already resulted in deaths and substantial losses to the poultry industry in South-East Asia.

19. While a few developing countries had managed to take advantage of the opportunities provided by globalization, many others, especially the least developed countries, had suffered economic hardship and further marginalization. Nevertheless, if globalization was properly regulated it could help correct the prevailing inequities between the developed and developing countries. Malaysia had benefited from globalization through trade liberalization and foreign direct investment; in addition, it was also becoming an increasingly popular tourist destination. The principles of sustainable development had been integrated into Malaysia's development planning and implementation. A comprehensive approach had been adopted that took into account the population's socio-economic needs as well as the enhancement of the quality of life through improvements in productivity and conservation of the natural environment.

20. Malaysia attached great importance to South-South cooperation and in September 2005 had officially launched the South-South Information Gateway, as a one-stop information centre, providing information according to the perspectives of the countries of the South.

21. **Ms. Enkhtsetseg** (Mongolia) said that her country associated itself with the statements made by the representative of Jamaica, speaking on behalf of the Group of 77 and China, and by the representative of the Lao People's Democratic Republic, speaking on behalf of the landlocked developing countries.

22. Progress on implementing the Millennium Development Goals was uneven. Although the world possessed the resources to make a decisive breakthrough in human development, great disparities persisted as 2.5 billion people, or 40 per cent of the world's population, lived on less than two dollars a day and accounted for a mere 5 per cent of the world's income. Although some economists had once argued that economic growth would, on its own, help reduce poverty, it had become evident that effective mechanisms — particularly public health and education systems and social safety nets — were needed to ensure that the benefits of economic growth reached the neediest and most vulnerable populations.

23. Many smaller countries had significant capacity constraints and were unable to develop swiftly — a

situation that underscored the need for a global partnership between developed and developing countries, as reaffirmed by the Monterrey Consensus and the recent Summit. International aid was an effective weapon in the war against poverty, and the pledge to increase ODA to developing countries by some 50 billion dollars a year was a good sign. To make the most effective use of aid, it was imperative both to increase the quantity of aid, so that essential investments could be made in health, education, and economic infrastructure to assure sustained growth, and to improve the quality of aid. The principles set forth in the Paris Declaration on Aid Effectiveness of March 2005 needed to be implemented.

24. The importance of aid notwithstanding, trade and investment were pivotal for ensuring sustainable development. As the Human Development Report, 2005, pointed out, the trade barriers faced by developing countries exporting to developed countries were three to four times greater than those faced by developed countries trading with each other. The situation was worse for landlocked countries. The Doha Round must therefore establish fairer and more favourable terms of trade for developing countries in the form of enhanced and predictable market access and assistance in capacity-building.

25. Mongolia welcomed the decision by the European Union to accord duty-free access to over 7,200 items imported from small and vulnerable economies, including Mongolia, under "GSP+" treatment. More and better access meant that more families would be able to emerge from poverty. The country looked forward to further enhancement of market access by the country's major trading partners.

26. The 2005 World Summit Outcome stressed the need to find a timely, effective, comprehensive and durable solution to developing countries' debt problems, which were a major impediment to sustainable growth. Urgent consideration needed to be given to providing significant debt relief or restructuring for low- and middle-income developing countries that were not covered by the Heavily Indebted Poor Countries (HIPC) Initiative and whose debt burden was unsustainable.

27. Mongolia remained steadfastly committed to achieving the Millennium Development Goals by 2015. Most of Mongolia's goals, especially in the areas of education, health and gender issues, were on track and could be achieved by 2015. Nevertheless, poverty needed to be addressed more aggressively. In 1990s, when Mongolia had begun its transition market economy, the inflation rate had stood at 300 per cent, and most industry had closed do heightening unemployment and poverty. Consis policies by successive governments, entrepreneurial initiative of the Mongolian people support from the country's development partners enabled it over time to achieve a reasonable leve macroeconomic stability. The private sector currently generating approximately 80 per cent Mongolia's gross domestic product (GDP), and economic growth rate in 2004 had been 10.6 per c Skyrocketing oil prices, however, were nullifying country's previous advances. Accordingly, Mong believed that the call made in the Summit Outcome the international community to address the impac weak and volatile commodity prices and support efforts of commodity-dependent countries restructure, diversify and strengthen competitiveness of their commodity sectors sh receive a swift response. It supported recommendation to establish commodity p agreements or stabilization tools and a fast-respon grant-financed shocks facility for low-inc commodity-dependent countries, to be administere one of the Bretton Woods institutions.

28. Under the eighth Millennium Development G "Develop a global partnership for developme Mongolia had introduced specific targets to address special needs arising from its landlocked situatio study by UNCTAD revealed that landlo developing countries spent twice as much on trans costs as an average developing country, and three ti as much as an average developed country. Hi import costs and lower export earnings combine reduce the competitiveness of landlocked develo countries. Since 1998, Mongolia had been negotia an agreement with its two neighbours, the Rus Federation and China, to reduce cross-border trans costs and associated formalities, and the prosp were good for concluding an agreement in that rega

29. In the context of the reform of the Economic Social Council, assistance from the United Nati whether in the form of expertise or funds, needed t focused, results-oriented and tailored to count high-priority development needs, with a view helping ordinary people escape from poverty and

in dignity. A major discrepancy needed to be put right. In countries receiving assistance, a joint exercise was conducted every five years to identify the high-priority areas for development assistance and produce a United Nations Development Assistance Framework (UNDAF) document and a Common Country Assessment (CCA) for the forthcoming cycle. However, there was no proper follow-up at Headquarters afterwards. As a result, different country assistance programmes were approved by different United Nations entities, without any single entity at Headquarters being responsible for monitoring the overall assistance framework and ensuring that the organizations of the United Nations system were providing developing countries with a coordinated development package. The reform of the Council provided an opportunity to remedy that problem.

30. **Mr. Yao** Wenlong (China) said that development was a long-standing goal, recently reaffirmed by national leaders in the 2005 World Summit Outcome. There were unprecedented opportunities for development (economic globalization, rapid progress of science and technology and improvement of productive forces) but also grave challenges that blocked the development process (widespread poverty and hunger, a widening gap between the North and the South, restrictive trade tariffs, the debt burden and the spread of diseases), suggesting the causes of unbalanced global development were clearly structural. To remove the structural obstacles, a more equitable new international economic order should be created including the establishment of an open and non-discriminatory multilateral trade system and an improved international financial system, in both of which developing countries would participate more effectively. The Doha Round should reflect the theme of development and developed countries should open up their markets, abolish agricultural subsidies and genuinely implement special and differential treatment.

31. A true partnership was built on mutual commitments and shared responsibilities. At the recent summit, developing countries had shown themselves courageously determined to pursue structural reform, improve governance, enhance South-South cooperation and reinforce self-development. In return, developed countries must muster the necessary political will, create a favourable external economic environment, fulfil their commitments and adopt measures with regard to poverty eradication, financial aid and debt relief, including the internationally agreed ODA goal. They should also mobilize their civil society and private sectors to complement the action of Governments, with a view to accelerating economic growth.

32. The role of the United Nations in promoting international cooperation should be strengthened in the areas of consensus-building and formulating rules for greater participation of the developing countries in development efforts. The Organization should strengthen its cooperation with the World Bank, the International Monetary Fund (IMF) and other international and regional agencies in order to support development. The coordinating capability of the Economic and Social Council should be enhanced, and the Council should promote efforts to construct an evaluation framework for the implementation of the Millennium Development Goals.

33. Despite their tireless efforts, African countries, especially in the sub-Saharan region, faced numerous development difficulties. The international community should focus more on African long-term stability and development and offer targeted assistance to support the New Partnership for Africa's Development. The least developed countries needed help to overcome special difficulties whose elimination would contribute greatly to achievement of the Millennium Development Goals at the global level.

34. China was committed to strengthening South-South cooperation, which reflected the spirit of self-reliance and solidarity among developing countries. To that end, President Hu Jintao had announced at the recent summit new measures in five areas: finance, debt, trade, capacity-building and public health. China planned to engage in a further exchange of experience with other developing countries in order to find new ways of making South-South cooperation more effective.

35. **Mr. Koonjul** (Mauritius), speaking on behalf of the Alliance of Small Island States (AOSIS), said that AOSIS aligned itself with the statement made by the representative of Jamaica on behalf of the Group of 77 and China. The sharp increase in oil prices, which was changing all economic forecasts and plans, placed an increasingly heavy burden on all countries, and particularly on small island developing States, the sustainability of whose growth was thus jeopardized. As a result of higher commodity prices and lower

income from exports, those States, which were net importers of oil, minerals and other essential commodities, would face deteriorating terms of trade on a long-term basis. That amounted to a major economic jolt and was likely to undermine their efforts to achieve sustainable development.

36. Energy dependence was a major source of economic vulnerability. Accordingly, the Committee should seek convergent ideas on how to raise awareness of the need for alternative sources of energy. Various possibilities should be explored. Efficiency should be sought in energy production, distribution and utilization. Many small island developing States were unable to adopt energy-efficient practices for lack of appropriate policies and information, and most needed energy audits. Sugar cane could be used for ethanol production, while coconut oil could serve as a diesel substitute. Ocean thermal energy conversion technology could be used to generate electricity and supply other valuable by-products, such as abundant fresh water, nutrient-rich water for aquaculture, fertilizers and cold water for process cooling or air conditioning. Newly developed tide energy technology was relatively inexpensive, ecologically benign and a reliable source of electricity. Under the Mauritius Strategy, small island developing States, with the help of international partners, should work together to promote the dissemination and application of appropriate technology and to strengthen such existing mechanisms as the United Nations renewable energy fund and the United Nations Development Programme thematic trust fund for energy. Progress should be made in that area before the 2006 review by the Commission on Sustainable Development.

37. Climate change and variability, the sea-level rise and susceptibility to natural disasters and other global environmental phenomena caused environmental degradation. The frequency, intensity and span of hurricanes and tropical cyclones had increased, with devastating effects on small island developing States, which were innocent victims of global warming and should therefore receive financial and technical assistance to adapt to the impacts of climate change. The Clinton global initiative, inaugurated in New York in September 2005, had organized extensive discussions on possible responses to climate change, including exploring business opportunities related to investment in alternative energy sources. In fact, demand for clean energy was exploding worldwide. Clean coal technologies were at least 25 percent more efficient than traditional coal-fired power plants. Developing countries, including small island developing States, should consider the possibility of identifying new sources of financing in the form of business ventures with the private sector.

38. The structural disadvantages faced by small island developing States, which related to various exogenous factors and such vulnerabilities as their remoteness and smallness, inhibited investors and thwarted those States' efforts to take advantage of the forces of globalization and new trading opportunities. Their respecialization opportunities were few and were often limited to developing international services, while most agricultural and manufactured exports faced stiff international competition. Responses to those issues necessitated corrective price mechanisms and preferential terms in the area of investment. However, the notion of concessionary financial measures had so far made little progress, save for the "small island exception" support measure introduced by the World Bank, although UNCTAD had long advocated special treatment for small island developing States, recognizing them as highly vulnerable economies, and had been encouraged to address their special problems in the São Paulo Consensus. Hopefully, those problems would be reassessed in time for the ministerial meeting in Hong Kong.

39. During the High-level Plenary Meeting in September 2005 the Prime Minister of Mauritius, speaking on behalf of AOSIS, had outlined a road map for the implementation of the Mauritius Strategy and focused on the need to mobilize international and domestic resources for that purpose. The outcomes of the International Meeting to Review the Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, held in Mauritius in January 2005, would be further discussed by the Committee in the current month. Under the Mauritius Strategy, the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States was entrusted with continuing to mobilize international support and resources for the further implementation of the Barbados Programme of Action in accordance with its mandate. A major issue in the implementation of that Programme of Action had been the lack of any

central or coordinating financing mechanism. Most of the projects and programmes implemented had been successful as a result of focused lobbying. In order to further assist such efforts, the Office of the High Representative should actively pursue its fund-raising activities. Under agenda item 54 concerning sustainable development, Mauritius would introduce a draft resolution entitled "International Meeting to Review the Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States" and, in that connection, requested again adequate staff and equipment at the level of the United Nations Secretariat to facilitate the full and effective implementation of the Mauritius Strategy.

40. **Mr. Kazykhanov** (Kazakhstan) said that the recent summit gave ground for a degree of optimism and called for the full and early implementation of the decisions and recommendations of the conferences and summits held over the past five years. International trade was a key instrument for accelerating economic growth, financing development and eliminating poverty, and it was crucial that the Doha Round of trade negotiations should be brought to a successful conclusion. Although Kazakhstan welcomed the positive steps taken by donor countries in the area of assistance and debt relief for the least developed countries, those steps were not sufficient to assure the full implementation of the Monterrey Consensus.

41. Thanks to Kazakhstan's national development strategy, all the Millennium Development Goals set for the country had either been achieved or were close to being achieved. Economic reforms had brought about macroeconomic stability, and the rate of GDP growth had averaged 10 per cent over the previous five years. Oil and gas export revenues were being paid into a national fund, to assure sustainable social and economic development and cushion the country against the impact of unfavourable external factors.

42. Further liberalization of trade and accession to WTO membership were key components of the country's general development strategy. Kazakhstan's status as a landlocked country and an economy in transition needed to be taken into account in WTO accession talks. Indeed, the Almaty Programme of Action called for particular consideration to be given to the special needs of landlocked developing countries. To support the implementation of that Programme, the Government of Kazakhstan had in March 2005 organized a high-level meeting on the role of international, regional and subregional organizations in implementing the Almaty Programme of Action.

43. It was considered that the outcome of that meeting was an important contribution to the implementation of the Almaty Programme of Action through enhanced partnerships with all stakeholders, including international, regional and subregional organizations. Regional integration was extremely important for the social and economic integration of the region in order to address common problems faced by Kazakhstan and its neighbours, for which the President of Kazakhstan had proposed the establishment of a Union of Central Asian States.

44. Environmental sustainability was a high-priority objective of the Government of Kazakhstan. The global nature of environmental disasters involving the Aral Sea and the former Semipalatinsk nuclear testing facility demanded a radically new approach on the part of the donor community.

45. Kazakhstan was grateful to the international community, including the United Nations and its specialized agencies, for its assistance in addressing the effects of those environmental disasters. Despite Kazakhstan's best efforts, more help was needed from the country's development partners. In particular, he requested support for the draft resolution sponsored by Kazakhstan, entitled "International cooperation and coordination for the human and technological rehabilitation and economic development of the Semipalatinsk region of Kazakhstan".

46. As recent events had demonstrated, no country was safe from natural disasters. The United Nations should assume a leadership role in establishing a comprehensive worldwide early-warning system.

47. Access to freshwater resources was a high priority for Kazakhstan, which had allocated US$ 900 million for a potable water programme for the period 2002-2012. The country supported efforts to develop and improve cooperation on cross-border waterways, and hoped that the Advisory Board on Water Resources and Sanitation recently established by the Secretary-General would become an effective mechanism for addressing water resources management issues.

48. **Mr. Bhagwat-Singh** (Observer for the World Conservation Union (IUCN)) welcomed the Outcome's recognition of the crucial role played by conservation

and sustainable natural resource management in eradicating poverty and underpinning the achievement of all the Millennium Development Goals. However, urgent action was required to maintain the environmental foundation of sustainable livelihoods, since ecosystems were still being eroded and the essential services derived therefrom were still being used in an unsustainable manner. In that regard, he welcomed the resolve of the international community to fulfil its commitments to significantly reduce the rate of biodiversity loss by 2010.

49. He also welcomed the recognition that climate change was a serious long-term challenge and hailed the commitment to take further action to address that issue and other key issues, including desertification, water and sanitation and natural disasters. Referring to the Millennium Ecosystem Assessment and the Millennium Project, he said that it would be necessary to integrate environmental sustainability into the development of the national development strategies called for in the Summit Outcome.

50. **Mr. Bhattacharya** (Observer for the World Bank) said that, notwithstanding the slowdown in world economic growth in 2005, developing country economies would continue to outperform those of high-income countries by a wide margin. Their expected growth of more than 5 per cent over the next two years exceeded by a substantial margin their performance in previous decades, reflecting the benefits of past policy reform. However, that positive assessment was marred by the recent spate of natural disasters and the vulnerability of developing countries to risks stemming, inter alia, from high and uncertain oil prices, inflationary pressures in real-estate markets and the longer-term threat to financial stability posed by persistent global imbalances. The impact of oil prices, which had more than doubled since late 2003, was of particular concern to developing countries. Indeed, the significant and disproportionate impact of the most recent increases on the poorest oil-importing developing countries had not been offset to the same extent as in 2000 and 2004 by higher non-oil commodity prices. For oil-importing sub-Saharan African countries, the additional costs would have to be accommodated by reductions in reserves, non-oil imports and domestic demand, with a potential serious impact on poverty.

51. In the area of financing for development, the strong commitments by world leaders at the World Summit to take action on a range of global development challenges had reinforced the broad international consensus that resolute action from developed countries on trade, aid and debt relief must be matched by improved performance and governance on the part of developing countries. The Annual Meetings of the Bank and IMF in September had called for translating those agreements into concrete action plans and measurable steps. They had agreed, inter alia, on the Group of Eight proposal for 100 per cent cancellation of debt owed by eligible heavily indebted poor countries to the International Development Association (IDA), the African Development Fund and IMF as a means of reducing debt and increasing resources for achieving the Millennium Development Goals while ensuring that the financing capacity of international financing institutions was not reduced and endorsed the joint Bank-Fund proposal for an enhanced Integrated Framework for Trade-related Technical Assistance to least developed countries.

52. Indeed, the conditions for improving the development agenda had never been better. An agreed country-based architecture — the poverty reduction strategy approach — was in place; aid financing would rise by some $50 billion from $80 billion in 2004 to $130 billion in 2010, with half of that amount being committed to Africa; and important progress had been made on the collective commitment to improve aid effectiveness.

53. However, a number of major challenges would need to be addressed to translate those steps and commitments into an action plan. They included mustering firm political will in a tight fiscal environment to deliver on the aid commitments made while ensuring that a much higher proportion of aid financing was in the form of project or programme financing; pushing for innovative financing mechanisms but ensuring that such financing was delivered in accordance with agreed country performance and the results-based approach; improving the predictability and flexibility of aid so as to enable recipient countries to prepare results-based poverty reduction strategies for long-term programmes. Lastly, since trade liberalization was as important as increased assistance and debt relief to accelerating development, the outcome of the Hong Kong WTO Ministerial Meeting would be crucial for progress on the Doha Development Agenda. Indeed, all countries stood to gain from an ambitious Doha Round.

54. Turning to global interdependence, he noted that climate change was one of the most pressing challenges, since developing countries were the most vulnerable to that phenomenon. The agenda to address climate change overlapped with the imperative for greater energy efficiency in the wake of high energy prices. In that regard, the Bank was spearheading efforts to develop an appropriate investment framework for clean energy and sustainable development and identify pragmatic investment and financing options. Migration and remittances constituted another area of growing importance on the global agenda. Yet another area of regional and global concern was the spread of avian influenza, especially the real possibility that the virus might mutate at some point into a form capable of human-to-human transmission, leading to a possible pandemic. In that regard, the international community needed to take preventive steps at the national, regional and international levels. He therefore welcomed the appointment of a United Nations System Senior Coordinator for Avian and Human Influenza. Both the President of the World Bank and the Managing Director of IMF had stressed the importance of addressing the issue of the participation of developing countries in the Bretton Woods institutions and of adapting the governance structure of those bodies to reflect changing realities in the global economy, ensuring that all members had an adequate voice in those institutions. The next important step in that process would be taken during the Thirteenth General Review of Quotas of the Fund.

The meeting rose at noon.